

WRAY E. KIRSHER (1922-2003)
U.S. Magistrate Judge, Retired
ROBERT D. WINSTON
ROBERT B. BOSTON

KWBSM
EST 1970
**KIRSHER, WINSTON & BOSTON
LAW CORPORATION**

STACEY L. MACK
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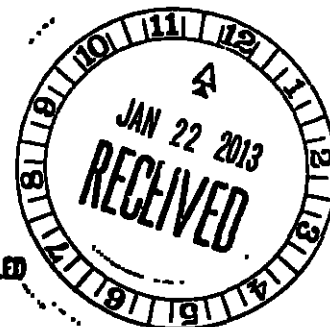
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P.O. Box 669, Weed, CA 96094
(530) 938-3438, Fax (530) 938-3247

☒ 205 N Mt Shasta Blvd, Suite 400
P.O. Box 177, Mt Shasta, CA 96067
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January 7, 2013

RECORDED 30615 FILED

JAN 22 '13 -3 51 PM



Secretary,
Surface Transportation Board
395 East Street S.W.
Washington, D.C., 20423-0001

Re: Document for Recordation

SURFACE TRANSPORTATION BOARD

Dear Sir or Madame:

Pursuant to 49 U.S.C 11301, I am submitting the following for recordation with the Surface Transportation Board.

Instrument: Security Agreement dated 10/3/08
Type: Primary
Secured Party: Chelatchie Boiler Works, Inc.
5017 NE 269th Avenue
Camas, WA 98607
Debtor: Yreka Western Railroad Company
300 East Miner Street
Yreka, CA 96097
Equipment: Baldwin 2-8-2 Steam Locomotive No. 19,
Construction Number: 42,000
Return Original To: Robert Winston, PO Box 177,
Mt. Shasta, CA 96067
Fee Enclosed: \$42 00

Please return a stamped-filed copy of the Security Agreement to me in the enclosed return envelope

Sincerely,

Robert D. Winston

RDW/
Encls.

SECURITY AGREEMENT

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SURFACE TRANSPORTATION BOARD

SECURED PARTY: CHELATCHIE BOILER WORKS, INC.

DEBTOR: YREKA WESTERN RAILROAD COMPANY

1. To secure payment of an outstanding account for boiler repair work, Debtor hereby grants to Secured Party a security interest in the following: Baldwin 2-8-2 Steam Locomotive No. 19, Construction Number 42,000.
2. Debtor shall maintain the property at the following location: 300 East Miner Street, Yreka, California 96097.
3. Debtor shall maintain the collateral free from any liens, security interests, and encumbrances other than those in favor of Secured Party.
4. Debtor shall not, without prior written consent of the Secured Party, sell, transfer, lease, or allow the property to be sold, transferred, or leased except in the ordinary course of business.
5. Debtor shall do all things and execute all documents requested by Secured Party to establish, maintain, and continue a perfected security interest of Secured Party in the collateral.
6. Debtor shall pay when due all taxes, assessments, and similar charges against the collateral.
7. Debtor shall keep the security in good condition and protect it from loss, damage, and deterioration.
8. Debtor shall insure the collateral against fire and other risks customarily insured against by persons engaged in businesses similar to that of Debtor in such amounts and containing such terms that might be reasonably satisfactory to Secured Party. Secured Party shall be named a named insured on the insurance policy. Secured Party shall be entitled to receive ten (10) days written notice prior to the termination of the insurance for any reason.
9. Debtor shall reimburse Secured Party for all expenses including reasonable attorneys' fees incurred by Secured Party in seeking to collect the indebtedness or enforce any obligations to this Security Agreement.



10. A default shall occur if any of the following shall occur.

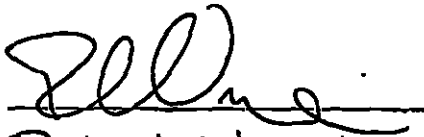
- 10.1 Failure to comply with any of the terms and conditions of this Agreement;
- 10.2 Failure to pay the indebtedness when due;
- 10.3 Loss or substantial damage to or destruction of the collateral;
- 10.4 Sale or transfer of the collateral.

Upon the occurrence of any default, Secured Party may exercise all rights and remedies to a secured party under the Uniform Commercial Code as enacted in the State of California.

DATED this 3 day of October, 2008.

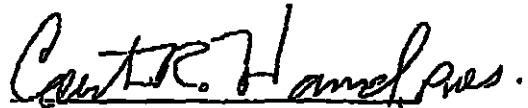
APPROVED BY:
CHELATCHIE BOILER WORKS, INC.

By:


Robert Winston,
Attorney

YREKA WESTERN RAILROAD
COMPANY

By:


C. R. Hamel, Pres.

